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IN THE

Supreme Court of the United States

OCTOBER TERM, 1974

No. 74-1037

THE ALLIGATOR COMPANY, INC., *Petitioner,*

v.

LA CHEMISE LACOSTE and JEAN PATOU, INC., *Respondents.*

On Petition for Writ of Certiorari to the United States Court of Appeals for the Third Circuit

BRIEF FOR RESPONDENT IN OPPOSITION

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March 18, 1975

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TABLE OF CONTENTS

	Page
Opinions Below	1
Jurisdiction	1
Question Presented	2
Statutory Provisions Involved	2
Statement of the Case	4
Argument	5
Conclusion	7
Appendix A	A-1

TABLE OF AUTHORITIES

Cases:

American Fire & Casualty Co. v. Finn, 341 U.S. 6 (1951) 5
Baggs v. Martin, 179 U.S. 206 (1900) 5
Grubbs v. General Electric Credit Corp., 405 U.S. 699 (1972) 2, 5, 6
Gully v. First National Bank, 299 U.S. 109 (1936) 2, 6
Mackay v. Uinta Development Co., 299 U.S. 173 (1913) 5
Mayflower Industries v. Thor. Corp., 184 F.2d 537 (3d Cir. 1950) 7
Mayflower Industries v. Thor. Corp., 182 F.2d 800 (3d Cir. 1950) 7

Statutes:

28 U.S.C. § 1292(a) 2, 6
28 U.S.C. § 1292(b) 3, 5, 6, 7
28 U.S.C. § 1331(a) 3, 4
28 U.S.C. § 1338(a) and (b) 3, 4
28 U.S.C. § 1441(b) 4

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OPINIONS BELOW

The opinion of the Court of Appeals for the Third Circuit is reported at 506 F.2d 339. The opinion was delivered on December 26, 1974. Petitioner did not move for a re-hearing.

The recitation of opinions below in the Petition is defective to the extent that Judge Layton's refusal to certify the denial of respondent La Chemise Lacoste's remand motion was omitted. Judge Layton's order to the Clerk June 19, 1970 is appended (Appendix A, *infra*, p. A-1).

JURISDICTION

Respondents do not question the jurisdiction of this Court as set forth in the Petition.

QUESTION PRESENTED

Is not the decision of the Third Circuit Court of Appeals vacating the judgment of the District Court for lack of federal question jurisdiction properly governed by *Gully* v. *First National Bank,* 299 U.S. 109 (1936) and not in conflict with *Grubbs* v. *General Elec. Credit Corp.,* 405 U.S. 699 (1972), all as set forth in Circuit Judge Aldisert's opinion, and thus not a decision presenting a matter requiring exercise of this Court's certiorari jurisdiction?

STATUTORY PROVISIONS INVOLVED

(Not reproduced in the Petition)

28 U.S.C. § 1292(a) and (b).

§ 1292. INTERLOCUTORY DECISIONS

(a) The courts of appeals shall have jurisdiction of appeals from:

(1) Interlocutory orders of the district courts of the United States, the United States District Court for the District of the Canal Zone, the District Court of Guam, and the District Court of the Virgin Islands, or of the judges thereof, granting, continuing, modifying, refusing or dissolving injunctions, or refusing to dissolve or modify injunctions, except where a direct review may be had in the Supreme Court;

(2) Interlocutory orders appointing receivers, or refusing orders to wind up receiverships or to take steps to accomplish the purposes thereof, such as directing sales or other disposals of property;

(3) Interlocutory decrees of such district courts or the judges thereof determining the rights and liabilities of the parties to admiralty cases in which appeals from final decrees are allowed;

(4) Judgments in civil actions for patent infringement which are final except for accounting.

(b) When a district judge, in making in a civil action an order not otherwise appealable under this section, shall be of the opinion that such order involves a controlling question of law as to which there is substantial ground for difference of opinion and that an immediate appeal from the order may materially advance the ultimate termination of the litigation, he shall so state in writing in such order. The Court of Appeals may thereupon, in its discretion, permit an appeal to be taken from such order, if application is made to it within ten days after the entry of the order: *Provided, however,* That application for an appeal hereunder shall not stay proceedings in the district court unless the district judge or the Court of Appeals or a judge thereof shall so order.

28 U.S.C. § 1331(a).

§ 1331. FEDERAL QUESTION; AMOUNT IN CONTROVERSY; COSTS

(a) The district courts shall have original jurisdiction of all civil actions wherein the matter in controversy exceeds the sum or value of $10,000, exclusive of interest and costs, and arises under the Constitution, laws, or treaties of the United States.

28 U.S.C. § 1338(a) and (b).

§ 1338. PATENTS, PLANT VARIETY PROTECTION, COPYRIGHTS, TRADE-MARKS AND UNFAIR COMPETITION

(a) The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents, plant variety protection, copyrights and trade-marks. Such jurisdiction shall be exclusive of the courts of the states in patent, plant variety protection and copyright cases.

(b) The district courts shall have original jurisdiction of any civil action asserting a claim of unfair competition when joined with a substantial and related claim under the copyright, patent, plant variety protection or trade-mark laws.

STATEMENT OF THE CASE

Respondent, La Chemise Lacoste (hereinafter sometimes "LCL"), while not acquiescing in the completeness or accuracy of the facts set forth by Petitioner, The Alligator Company, Inc. (hereinafter "Alligator"), relating to the contractual relations between themselves will not here restate them. They are relevant only to the merits of the controversy and not to the jurisdiction of the United States District Court for the District of Delaware to determine that controversy. The absence of that jurisdiction is the only matter reached by the Court of Appeals decision which the Petition seeks to have this Court review.

The procedural facts which are relevant to the question here presented are these:

On March 4, 1970, Respondent, a French corporation, acting alone, filed its complaint seeking declaratory and injunctive relief in a trademark controversy against Petitioner, a Delaware corporation, in the Court of Chancery of the State of Delaware in and for New Castle County. LCL owns no Federal trademark registration involved in the matter complained of and its complaint asserted no Federal right and adverted to none. The Petition for Removal, filed by Alligator on April 3, 1970, is necessarily limited by 28 U.S.C. § 1441(b) to an assertion of federal question jurisdiction. LCL's Motion for Remand, filed on April 17, 1970, attacked the asserted jurisdictional basis for removal under 28 U.S.C. §§ 1331 and 1338. The district

court, on June 4, 1970, denied LCL's Motion for Remand. LCL submitted a proposed order which, *inter alia,* provided certification of the denial of the remand motion for interlocutory appeal under 28 U.S.C. § 1292(b). After a conference in chambers on June 18, 1970 at which Alligator opposed the certification of the question for interlocutory appeal, Judge Layton directed, (A1) *infra,* that the order previously submitted by Alligator be entered and specifically refused certification for interlocutory appeal of his denial of LCL's Motion for Remand.

ARGUMENT

Alligator attempts, by its Petition, to bring the decision below into conflict with a line of decisions of this Court beginning with *Baggs* v. *Martin,* 179 U.S. 206 (1900), reiterated [1] in 1913 and 1951, and culminating in *Grubbs* v. *General Elec. Credit Corp.,* 405 U.S. 699 (1972).

Alligator states in its petition at page 7 that "the Court [of Appeals] never considered the applicability of [*Grubbs*]." This is patently in error for Judge Aldisert in his concise and well-reasoned opinion below did consider the applicability of *Grubbs,* stating in footnote 1 therein:

> "1. Our analysis in this respect is not inconsistent with Grubbs v. General Elec. Credit Corp., 405 U.S. 699, 702, 92 S.Ct. 1344, 31 L.Ed. 2d 612 (1972). In the instant case, the trial on the merits did not follow 'removal . . . without objection'. Rather, plaintiff did all it could have done by way of seeking review of the denial of its motion to remand." [506 F.2d at 342].

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[1] *Mackay* v. *Uinta Development Co.*, 299 U.S. 173 (1913); *American Fire & Casualty Co.* v. *Finn*, 341 U.S. 6 (1951).

Grubbs and the cases preceding it stand only for the proposition, irrelevant here, that if a removed plaintiff *does not object to the removal,* the issue in the subsequent appellate proceeding after final judgment is not whether the case was properly removed, but whether the federal district court would have had original jurisdiction of the case had it been filed in that Court. Thus, the applicability of *Grubbs* here is totally negated by the plain and simple fact that LCL did object to the removal of the action by filing a Motion for Remand. The posturing by the Petitioner as to the time-consumption and expense in the subsequent federal court proceedings is clearly undercut by its own opposition to the entry of LCL's proposed order which would have certified the denial of the remand motion for interlocutory appeal under 28 U.S.C. § 1292(b).

The "terrible waste" of which Petitioner protests is, of course, nothing more than the deliberately-accepted occasional consequence of the steadfastly-adhered-to Federal policy against piecemeal appeals.[2] Every erroneous district court decision about jurisdiction or venue which is reversed on appeal after a full trial on the merits results in the same "waste".

The jurisdictional question decided below is properly governed by the principles enunciated in *Gully* v. *First National Bank,* 299 U.S. 109 (1936), as so ably applied by Judge Aldisert to this case. There is no conflict of his decision with *Grubbs* or any other deci-

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[2] Were the extension of *Grubbs* sought by Petitioner to be adopted, it would encourage the proliferation of ill-founded preliminary injunction motions, appealable under 28 U.S.C. § 1292 (a)(1), in order to take an appeal by the back door from a jurisdictional determination that had been refused certification for interlocutory appeal under 28 U.S.C. § 1292(b).

sion of this Court and none with any decision of any Court of Appeals.[3]

CONCLUSION

No sufficient grounds for action by this Court having been shown, the Petition for Writ of Certiorari should be DENIED.

Respectfully submitted,

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[3] Any supposed failure of the Third Circuit in this case to follow its own precedent in *Mayflower Industries* v. *Thor. Corp.*, 184 F.2d 537 (3d Cir. 1950) is wholly negated by a prior action of that court in taking earlier affirmative action in that case, 182 F.2d 800 (3d Cir. 1950). Obviously, a court may always act, even inconsistently with its own previous assumption of power to rule, on a perceived lack of jurisdiction *sua sponte*, but this is not to say that a litigant is to be penalized for faithful observance of the procedure of 28 U.S.C. § 1292 defining questions proper for Federal interlocutory appeal. Moreover, 28 U.S.C. § 1292(b), which LCL followed, did not come into existence for some eight years after the *Mayflower* decisions were rendered.

APPENDIX A

UNITED STATES DISTRICT COURT
DISTRICT OF DELAWARE

Chambers of
Caleb R. Layton, 3rd
Judge

P.O. Box 46
Wilmington, Delaware 19899

June 19, 1970

Mr. Edward G. Pollard, Clerk
United States District Court
Federal Building
Wilmington, Delaware

Re: La Chemise Lacoste v. The Alligator Company, Inc. v. Jean Patou, Inc.
Civil Action No. 3876

Dear Mr. Pollard:

After hearing yesterday on Lacoste's motion for a certification for an immediate appeal under 28 U.S.C. § 1292(b), I have come to the conclusion that there is no controlling question of law here as to which there is substantial ground for difference of opinion and that, in any event, an immediate appeal from this order would not materially advance the ultimate termination of the litigation.

Accordingly, I have signed the order submitted by Mr. Black and would ask you to file it.

Very sincerely,

/s/ CALEB R. LAYTON, 3rd

CRL, 3rd:p

cc: Lewis S. Black, Jr., Esquire
Thomas S. Lodge, Esquire